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August 27, 2014

Via FedEx and ECF

Hon. Allen K. Hellerstein
United States Courthouse
Courtroom 14D
500 Pearl Street
New York, New York 10007-1312

Re: **Hillair Capital Investments L.P. v. Integrated Freight Corp., et al.,**
Dkt. No.: 12 CV 7164 (AKH)

Dear Judge Hellerstein:

We represent Hillair Capital Investments L.P. ("Hillair") in the above-entitled action.

Hillair brought this action to collect money owed to it by Integrated Freight Corporation ("Integrated") pursuant to the terms of two debenture agreements. The debentures were unconditionally guaranteed by Smith Systems Transport, Inc., Morris Transport, Inc., Cross Creek Trucking, Paul Henley, Henry Hoffman, and Matthew Veal (the "Guarantors").

The parties agreed to a settlement during a preliminary conference on October 30, 2013, and Your Honor dictated the terms of their agreement into the record. In pertinent part, Integrated agreed to pay Hillair the sum of \$400,000.00 in seven installments, the first of which was to be paid on November 21, 2013. The action was dismissed without prejudice as against the Guarantors on the understanding that if Integrated failed to make the payments called for by the agreement, the Guarantors could be held jointly and severally liable for the outstanding payments up to the amounts of their respective guarantees.

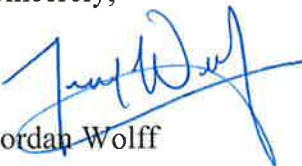
Integrated failed to make the first payment on November 21, 2013, and to date has not paid Hillair any amount pursuant to the settlement agreement, despite due demand. On February 21, 2014 the Court held a status conference and defendants failed to appear. At the conference, Your Honor granted Hillair permission to file a motion for summary judgment in order to collect the amounts due under the agreement from the Guarantors. On May 6, 2014, Hillair filed a motion for summary judgment against the Guarantors.

Ellenoff Grossman & Schole LLP

Thomas Atkinson, attorney for the defendants, has since filed a second motion to withdraw as counsel. As such, Mr. Atkinson has yet to respond to Hillair's pending motion for summary judgment because he awaits guidance from the Court as to his withdrawal. To date, the Court has yet to issue a decision on the summary judgment motion or the motion to withdraw.

We would like the Court to schedule a conference at its earliest convenience in order to set a schedule for the remaining proceedings. As the Guarantors are plainly liable for Integrated's breach of the settlement agreement, we wish to proceed towards an expedient resolution of this matter so that Hillair can collect the amounts that are owed to it.

Sincerely,



Jordan Wolff

cc: Thomas D. Atkinson (via email)